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Department of State **TELEGI**

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PAGE 01 STATE 154691
ORIGIN SS-00

INFO LOG-00 ADS-00 SSO-00 FAIM-01 /001 R

DRAFTED BY:NEA/NGA:LPIASCIK
APPROVED BY:NEA:MVCREEKMORE
NEA/RA:NHASTINGS EAP/CM:GMARTIN
AF/RA:RTIERNEY T:QCROSBIE(INFO) S/S:BLPASCOE
P:ASTEINFELD(INFO) INR:NESA:JMCALPINE
INR/PMA:MMORIN PM:SSIMON S/S-O:DOWNEY
----------303462 210557Z /38
O R 210250Z MAY 87 ZEX
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI IMMEDIATE IMMEDIATE
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AMEMBASSY MAPUTO IMMEDIATE
AMEMBASSY DAR ES SALAAM IMMEDIATE
AMEMBASSY ABIDJAN IMMEDIATE
INFO GULF WAR COLLECTIVE
AMEMBASSY BEIJING
AMEMBASSY BAGHDAD

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EXDIS

C O R R E C T E D C O P Y (ADDRESSEE)

E.O. 12356: DECL:OADR
TAGS: PARM, PREL, MASS, IR, CH, XA
SUBJECT: CHINESE ARMS TRADE WITH IRAN

REF: A. ALGIERS 2858 B. STATE 122939

1. [redacted] - ENTIRE TEXT, EXCEPT WHERE OTHERWISE NOTED.

[redacted]

PAGE 02 STATE 154691

2. THIS IS AN ACTION MESSAGE (SEE PARA 7).

EXDIS REVIEW
Cat. A Caption removed; transferred to O/FADRC
Cat. B - Transferred to O/FADRC with additional access controlled by S/S
Cat. C - Caption and custody retained by S/S
Reviewed by: EK Elijah Kelly Jr.
Date: 12/1/93

DEPT OF STATE APPEALS REVIEW PANEL (ARP)
EO/AIPA
) Release
) Excise
) Deny
Exemptions
ARP Action Cert.
Date

United States Department of State
Office of FOI, Privacy, & Classification Review
Review Authority: MORIN, LAURENT
Date: 08/07/96
Case ID: 9004248

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3 SINCE LAST NOVEMBER'S REVELATIONS ABOUT U.S. AUTHORIZED ARMS SHIPMENTS TO IRAN, WE HAVE REDOUBLED OUR ACTIVITIES ON OPERATION STAUNCH. THE OBJECTIVE OF STAUNCH - TO INDUCE IRAN TO ACCEPT A NEGOTIATED END TO ITS WAR WITH IRAQ - IS AN IMPORTANT ELEMENT OF U.S. POLICY TOWARD THAT CONFLICT. IT IS A SUCCESSFUL PROGRAM THAT HAS ACHIEVED REAL, PERCEPTIBLE RESULTS SINCE ITS INCEPTION IN 1983.

4. ONE OF THE MAJOR CONCERNS OF THIS PROGRAM HAS BEEN THE PRC'S INCREASINGLY IMPORTANT ARMS RELATIONSHIP WITH IRAN. IRAN'S FEBRUARY TESTING OF CHINESE SUPPLIED HY-2 (SILKWORM) ANTI-SHIP MISSILES REPRESENT A QUALITATIVE UPGRADE IN IRAN'S ABILITY TO THREATEN COMMERCIAL SHIPPING

IN THE STRAIT OF HORMUZ. THE USG HAS TAKEN UP THIS ISSUE WITH THE PRC AT SENIOR LEVELS. IN ADDITION, WE HAVE ASKED OTHER GOVERNMENTS TO DISCUSS THIS PROBLEM WITH THE PRC.

[redacted]

5. DEPARTMENT UNDERSTANDS THAT CHINESE FOREIGN MINISTER WU XUEQIAN WILL VISIT ADDRESSEES' HOST COUNTRIES ON A TOUR OF AFRICA FROM MAY 24 - JUNE 6. WHILE WE REALIZE THAT THE IRAN-IRAQ WAR, FREEDOM OF NAVIGATION IN THE PERSIAN GULF, AND THE FREE FLOW OF OIL THROUGH THE STRAIT OF HORMUZ ARE NOT ISSUES THAT CONCERN YOUR COUNTRIES DIRECTLY, WE FEEL WE MUST PERSIST IN OUR EFFORT TO REDUCE

[redacted]

THE LEVEL OF THE CHINESE-IRANIAN ARMS RELATIONSHIP WHENEVER POSSIBLE. THEREFORE, ACTION ADDRESSES ARE REQUESTED TO APPROACH APPROPRIATE GOVERNMENT OFFICIALS AND ENCOURAGE HOST GOVERNMENTS TO RAISE THE ISSUE WITH WU, UNLESS POSTS BELIEVE IT WOULD BE COUNTERPRODUCTIVE.

6. THE FOLLOWING TALKING POINTS ARE CLASSIFIED SECRET MAY BE USED WITH HOST GOVERNMENTS:

-- THE USG HAS LONG BEEN CONCERNED WITH INDICATIONS OF

[redacted]

[redacted]

CONTINUING CHINESE ARMS DEALS WITH AND DELIVERIES TO IRAN.

-- CHINESE-SUPPLIED HY-2 (SILKWORM) MISSILES, ONE OF WHICH WAS TESTED IN THE STRAIT OF HORMUZ IN MID-FEBRUARY, ARE THE MOST RECENT EXAMPLE OF HOW THIS MILITARY RELATIONSHIP HAS CONTRIBUTED TO ESCALATING TENSION IN THE REGION.

-- WE HAVE NO EVIDENCE THAT DIRECT CHINESE ARMS SHIPMENTS TO IRAN HAVE ABATED.

-- CHINA DENIES THAT IT IS SELLING ARMS TO IRAN, BUT DOES NOT RULE OUT THE POSSIBILITY THAT SO-CALLED UNAUTHORIZED SHIPMENTS TAKE PLACE THROUGH THIRD COUNTRIES OR PRIVATE FIRMS IN THIRD COUNTRIES.

[redacted]

-- THE USG BELIEVES THAT CHINA'S ARMS SUPPLY EFFORTS RAISE THE LEVEL OF TENSION IN THE GULF AND THREATEN THE SECURITY OF NON-BELLIGERENT COMMERCIAL SHIPPPING THROUGH THE STRAIT OF HORMUZ.

-- WE HAVE TAKEN UP THIS ISSUE WITH THE PRC AT SENIOR

LEVELS AS PART OF OUR ONGOING PROGRAM OF ATTEMPTING TO

[redacted]

BLOCK MILITARY RESUPPLY TO IRAN, IN ORDER TO FORCE IRAN TO WIND DOWN ITS WAR EFFORTS.

--IN LIGHT IF THE THREAT POSED BY EMPLACEMENT OF SILKWORM MISSILES AND CONTINUING ARMS SHIPMENTS, THE USG BELIEVES THAT THIS IS A PARTICULARLY APPROPRIATE TIME FOR THE WORLD COMMUNITY TO APPROACH THE CHINESE ON THIS ISSUE.

--WE ENCOURAGE YOU, THEREFORE, TO CONSIDER RAISING THIS ISSUE WITH FOREIGN MINISTER WU XUEQIAN DURING HIS UPCOMING VISIT.

8. BAGHDAD MINIMIZE CONSIDERED. SHULTZ

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